GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1148
ANSWERED ON:21.08.2007
SCHEME FOR CASH CROPS
Karunakaran Shri P.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the measures taken by the Union Government to implement the special package scheme for the cash crops in Kerala;

(b) the number of tea, cardamom and coffee estates resumed their operations as a result of the scheme;

(c) the measures adopted by the Government to give relief to the workers in the plantation sector; and

(d) the amount spent so far by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) to (d) TEA: Government has already launched in January, 2007 a Special Purpose Tea Fund (SPTF) to extend financial support to the tea growers to take up replanting and rejuvenation of the old tea areas.The programme envisages uprooting and replantation/rejuvenation of 2,12,000 hectares of old and uneconomical sections of tea. The scheme envisages accelerating the pace of replanting and rejuvenation by ensuring availability of funds to the extent of 75% of the unit cost by way of long term loan (50%) and subsidy (25%).The growers are required to bring in only 25% of the total cost. The estimated outlay for the scheme will be Rs. 567.10 crore i.e. capital infusion of Rs. 91 crore in SPTF plus subsidy of Rs. 476.10 crore.

Because of industry wide depression from mid 1999 to 2004, some of the financially weaker tea gardens were closed down and the workers in those gardens have been faced with difficulties. The combined efforts of the Central Government and the State Government of Kerala have resulted in the opening of 8 tea gardens out of 17 gardens which remained closed as on 1.4.2007.

Government of India has recently notified a revival package for facilitating re-opening of the closed tea gardens and their rehabilitation.This package provides for re-structuring of the outstanding bank loans, waiver of Tea Board loans and extension of fresh working capital from banks with interest subsidy from Government and other admissible assistance under various Plan schemes of the Tea Board.

COFFEE: In the Union Budget for 2007-08 the Government has proposed a Fund for coffee replantation, on the lines of SPTF for the revival of old and senile coffee plantations which are uneconomical in the present conditions.Coffee Board has identified about 80,000 hectares of coffee area out of total of 3.81 lakhs hectares, which are uneconomical and requires to be replanted to improve farm productivity to desired levels in the long run. Coffee Board has accordingly submitted a proposal as part of 11th Five Year Plan scheme viz. Development Support with an outlay of Rs. 180 crore as subsidy for replanting. No coffee gardens are reported to be closed because of sickness.

RUBBER: In terms of Government`s announcement in the Budget 2007-08, Rubber Board has formulated a proposal for replanting 33,500 hectare of old and uneconomical rubber plantations in the country with an outlay of around Rs. 50 crore which is needed as financial requirement for payment of planting grant @ 25% of the development cost.

SPICES: Spices Board have submitted a proposal for replantation and rejuvenation of cardamom plantation involving subsidy component of Rs. 211.35 crore covering about 65,000 hectares for small and large cardamom plantation.No cardamom estates have been reported to have closed down.